

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 1, 1996

SUBJECT: **SB 2490 - HB 2774**

This bill, if enacted, will extend from three to four years the time period during which certain material handling equipment and racking systems in a new warehouse can be considered industrial machinery for sales tax exemption purposes.

The fiscal impact from enactment of this bill is estimated to be that state and local governments will forego revenues in the same amount as they would in the absence of the bill, assuming that no additional equipment will be purchased because of the time extension. This revenue will simply be foregone over a longer (four-year) period of time. For this reason, the impact is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director